

# 2008 GENERAL SESSION FISCAL NOTE WORKSHEET XI (Revised Jan. 2008)

Agency: UTAH STATE OFFICE OF EDUCATION Bill Number HB163

TITLE OF BILL: SCHOOL FEE AMENDMENTS by Representative Craig A. Frank

Requested by: Patrick Lee

Fax/Electronic Mail Transmittal To:

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Name: <u>Patrick Lee</u>
Date: <u>January 28, 2008</u>
Fax Number: _____

Please return to Fiscal Analyst by: January 29, 2008

This Bill Takes Effect: ☐ On passage ☒ On July 1 ☐ 60 Days after session ☐ Other \_\_\_\_\_

Bill Carries Own Appropriation: ☒

## FISCAL IMPACT OF PROPOSED LEGISLATION

	FY 2008 Supp.	FY 2009	FY 2010
<b>A. REVENUE IMPACT BY SOURCE OF FUNDS</b>			
1. General Fund			
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6 Local Funds			
<b>7. TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## B. EXPENDITURE IMPACT:

<b>By Source of Funds</b>			
1. General Fund			
2. General Fund, One Time			
3. Uniform School Fund - Education Fund		<b>\$13,100,000</b>	<b>\$13,100,000</b>
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6. Local Funds			
<b>7. TOTAL</b>	<b>\$ -</b>	<b>\$ 13,100,000</b>	<b>\$ 13,100,000</b>
<b>By Expenditure Category</b>			
1. Salaries, Wages and Benefits			
2. Travel			
3. Current Expenses			
4. D.P. Current Expenses			
5. Capital Outlay			
6. D.P. Capital Outlay			
7. Other (Specify)		<b>\$13,100,000</b>	<b>\$13,100,000</b>
<b>8. TOTAL</b>	<b>\$ -</b>	<b>\$ 13,100,000</b>	<b>\$ 13,100,000</b>

## C. IMPACT IN FUTURE YEARS?

*If no fiscal impact in the first two years, indicate any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, or attachment, if necessary.) This bill could prohibit the collection of fees and cause school districts and charter schools to pay the costs from current resources. The cost could go up with the increase in the Consumer Price Index.*

Cathy Dudley	MSP Budget and Property Tax Specialist - USOE	801.538.7667	January 30, 2008
Prepared By	Title	Agency	Phone #
			Date

**D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase**

Lines 107-108 designates the Utah State Board of Education to adopt rules necessary to ensure satisfactory distribution and proper care of textbooks. Lines 221-225 designates the Utah State Board of Education to distribute this appropriation with a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner. The State Board of Education must also make rules to administer the requirements of the bill.

**E. Expenditure Impact Details (*Ties to totals in Section C*)**

*List and document methodology and/or assumptions used in determining need for workload and cost increase.*

*List number, type, and step ranges of personnel required, including benefits.*

*List details of other impacted expenditure categories as shown in Section C.*

*List additional space requirements and cost associated with requirements of this bill.*

*(USE ATTACHMENTS IF NECESSARY.)*

*The money appropriated in this bill will be used to compensate school districts and charter schools for the fees for secondary students that are prohibited in Title 53A, Chapter 12, Fees and Textbooks.*

*An informal survey was done early in 2007 regarding the fees collected by the school districts and charter schools. Since we did not have the definitions contained in the bill the numbers will be slightly skewed. Not all school districts and charter schools reported the amount of fees collected, but we are estimating the fees are about half of the amounts reported because they include, in most cases, extra-curricular fees. The results of the survey are attached on a tab entitled Output.*

**F. No Fiscal Impact or Will Not Require Additional Appropriations?**

*Specify why this bill will have no fiscal impact on your agency or institution.*

*Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.) There is a definite impact to school districts and charter schools.*

**G. If Bill Carries Its Own Appropriation:**

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.*

*Are there future additional costs anticipated beyond the appropriation in the bill? As noted on the worksheet titled Output, the amount of fees collected by those school districts and charter schools is approximately \$24 million which includes extracurricular fees. The bill indicates that a public school may charge reasonable extracurricular fees so the \$24 million may be reduced to half. Therefore, the appropriation may be sufficient for FY08 -09, but may not be sufficient for future years as the CPI increases.*

**H. Impact on Local Governments, Businesses, Associations, and Individuals**

*Specify requirements in the bill that drive the impact on local governments.*

*Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

Local Governments:

*This bill would cause school districts and charter schools to lose a revenue source that currently funds approximately \$10 million a year. This would either impact the number and types of things public schools are able to do or it would cause them to use current financial resources in different ways or increase tax revenues to replace the funds lost. Currently some districts use parking lot fees to control the number of cars being brought to school. The loss of this fee may increase the number of student drivers and neighborhood parking congestion.*

Businesses and Associations: *If a district were to increase property taxes to make up the lost revenues it would impact businesses as well as home owners.*

Individuals: *There will be less cost to parents to enroll students in secondary schools. There may be some additional congestion in neighborhoods near high schools from additional student drivers. If property taxes were increased it would affect parents also.*

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.